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Editorial Brief

We have in the second volume of IJMGS articles that were peer reviewed by scholars in the field. All, but one, were presented at various times on virtual weekly webinar organized by the Centre. They were then revised and independently reviewed as part of intellectual rigour the Journal editorial is noted for. The coverage is multidisciplinary in contents, and trans-global in analyses. The current world discourse is predicated on three main issues: health and development in the midst of ravaging COVID-19 pandemic; climate change; and food security. The commonality with the three challenges, and scholar's interrogation, is the phenomenal transdisciplinary Migration and its global context. The articles in this volume are rich in contents, informative in analyses; and refreshing in evidence. They are useful in all parameters and will add value to finding solutions to some of the issues raised on all topics.

Hakeem I. Tijani
Editor

Global Migration, COVID-19 and Its Effects on Economies: A Focus on Repositioning Nigerian Economy

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Abstract

A healthy nation is a wealthy nation, which may account for the nexus between health, human mobility, and economics development. Freedom to move within a nation and among nations engenders the active population's engagements in social economic activities that are expected to impact on economic growth. The world is currently witnessing a virus popularly known as COVID-19 (Corona virus, 2019). It first surfaced in a city of Wuhan, China towards the end of 2019. However, the virus has moved from been epidemic to pandemic issues in many countries thus moving from been health issues to political, security and most importantly economic issue affecting human's national and transnational economics and migration. The paper employs secondary data, use of charts and descriptive analysis to touch on the situations posed by COVID-19 pandemic. It analyses the potential effects of COVID-19 on gross domestic products, aviation industry, tourism, commodity prices in different economies based on the description of some selected key macroeconomic indicators at a global and Nigerian context. It found that the short-run policy strategies by Nigerian government is suitable for immediate recovery of the economy. It also found that COVID-19 has come to expose lapses in the Nigerian economy not just on the health system but also on non-availability of database and modern management of economy with current digitalization and technological avalanche. It then proceeds to highlight long-run policy strategies for economic revival and reposition of the Nigerian economy.

Key Words: globalization; Migration; COVID-19; Pandemic; Economic Development
JEL: E63, F22, F62

Introduction

Coronavirus disease of 2019 (COVID-19) is a health issue and it's interwoven with the migration, globalization, economy, politics, security, and religions of the world among other things. Politically, particularly as pertaining to the issue of globalization, it's obvious that corona virus and any other pandemic whether natural or manmade can change and inhibit phenomenon and processes of globalization such as seamless interconnectedness of countries and migration that always take place among. The first infectious transmission was in Wuhan, a city in China toward the end of 2019. COVID-19 is still spreading across the countries. Coronavirus cases has reached up to 204,644,849 million and 4,323,139 deaths globally, the world continues to battle the COVID-19 pandemic (World Health Organization, 2021).

Globalization does not become an unavoidable buzzword in social sciences until 1980s, and it entered the public vocabulary, at least in the West in 1990s (Steger 2009). Economically, "globalisation is seen as a process of economic integration; it deepens and broadens linkages of economies through trade, finance, and investment to create a world market of goods, services, and capital" (Bankole & Kareem, 2017). According to (De Haas, Miller, & Castles, 2019) Migration is transnational human mobility, but it should be noted that inter-state or national human mobility is an aspect of migration, and both are very important aspect of globalization. COVID-19 pandemic sparked an inextricably link between mobility and its global governance through border control. The current situation reveals the complexities of migration in the face of the COVID-19 pandemic. Discussion on migration, mobility, and economy in continents such as Africa, Asia, Europe and globally have been inconclusive due to the COVID-19 health crisis. It was declared as a pandemic by The World Health Organization (WHO) on 11 March 2020 because it has become a global menace and an emergency because of its impact on the entire world economies.

There were “blame-game and bilk passing” as Italy’s Salvini blamed the virus on African migrants, Hungary’s Orban followed suit making Iranian migrants responsible, and Trump termed it the ‘China virus’ on social media. This was a ‘blaming’ diseases that spread across borders on other nations just like the ‘Irish Disease’ (Cholera) and the ‘Spanish flu’. In addition, incidents of harassment, stone attacks or foot chases were reported in Ethiopia. Governments in each country made strong use of migration and partial mobility policies as management tool to curtail the spread of the outbreak.

Infectious disease led to high death rates, international trade was disrupted and many countries have to shut borders to curtail movement as infected people have been restricted. Also, planes were grounded, cars were parked, schools were closed, employees were working from home, unemployment is rising and demand for crude oil was down significantly. Before the pandemic, the world economy and especially that of developing countries like Nigeria have fragile outlook because global GDP growth was estimated to be only 2.5 percent in 2020 (World Bank, 2020). The hitherto weak health care systems in many developing countries aggravate the pandemic and in turn its global effects on economies.

International Monetary Fund (IMF) predicted a fall in global growth by 0.5 for the year 2020. Any country that is openne to international trade and migration, is not immune to the endogenous and exogenous effects of COVID-19. The exogenous effects are from direct trade links between affected partner within the continents such as Asia, Europe, and the United States especially as it affects key sectors such as aviation, travelling and tourism as well as investment and economies. Worth to note is decline in remittances from African Diaspora; Foreign Direct Investment (FDI) and Official Development Assistance; and domestic financial market tightening on one hand. On the other hand, the endogenous effects were felt due to the swift circulation of the COVID-19 in the West and in some African countries. Consequently, morbidity, mortality, movement disruption, disruption of production of goods, and services as well as other economic activities. These led to decrease in domestic demand, reduction in tax revenue because of fall in oil price and commodity prices. Meanwhile necessitated increase in public expenditure to protect humans' lives and to stimulate economic activities. Consequently, it is imperative to assess the effect of COVID-19 on global migration and Nigerian economy which remains largely informal and thus vulnerable to external shocks. Monetary theory application on increase in money supply which is seen as driver of economic activities and growth may apply at a period like this to reduce loss of production, loss of labour and investment which may hurt several households and the economy at large. The paper is divided into 5 sections namely: Introduction; Methodology; Global Economic Context; Nigerian Economic Context; Conclusion and Recommendation.

Methodology

The paper examines the effects of global migration on economies due to

COVID-19 pandemic. It analyses the effects on global and Nigerian context. Using some selected key indicators such as gross domestic products, aviation industry, tourism, commodity prices especially between 2018 to 2020. The study assesses the impact of COVID-19 on the Nigeria economy. The study is based on descriptive and content analysis and present a conclusion on key policy recommendations for long-run solutions.

Analysis and Discussions

Global Economic Context

COVID-19 disrupted and it's still disrupting the interconnected world economy and global value chains. There have been unexpected falls in commodity prices, revenues, foreign exchange receipts, foreign financial flows, travel restrictions, declining of tourism and hotels, and it also frozen the labor market. The COVID-19 predicted a general world economic crisis not only in 2020 as it still ravaging the globe in 2021.

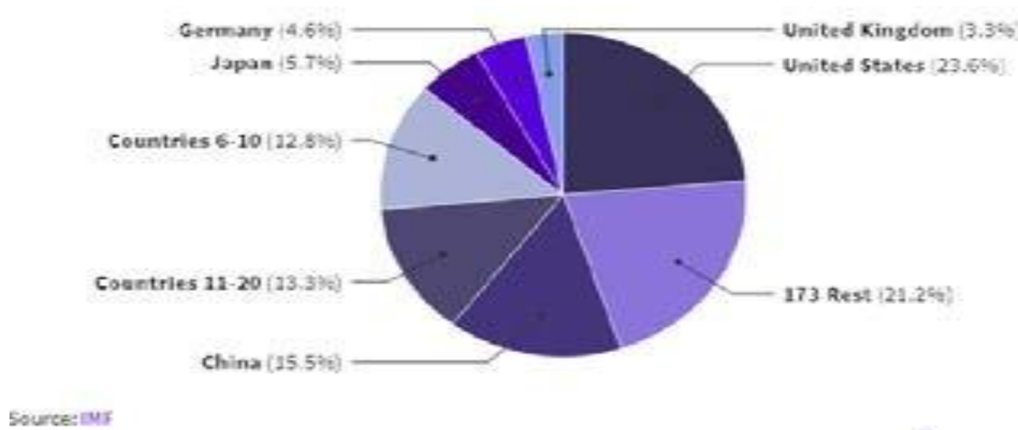
Effects on Cross Boarder Migrations

Migration has sociocultural, ethnocultural, historical and economic implications. Despite daunting technological means for surveillance and control, borders control in many nations has been a difficult task. For instance, USA has over 15 million illegal immigrants as at 2017 (Colic-Peisker, 2017). Nigeria and most countries short down their boarders against migrants to restrict the multiplied effects of COVID-19. Consequently, international trade and migration were affected negatively.

Effects on World Gross domestic Products

According to IMF, these three accounts for half of the world's GDP: The European Union, the United States and Japan because they are economies based on trade, services, and industries. Nevertheless, in order to stop and curtail COVID-19, they were compelled to close their borders. This drastically reduce economic activities. The Chinese economy accounts for about 16% of global GDP and it is the largest trading partner of most African countries and the rest of the world. The OECD forecasted a decline in economic growth rates for these major economies as follows: China 4.9% instead of 5.7%, Europe 0.8% instead of 1.1%, the rest of the world 2.4% instead 2.9%, with world GDP falling by 0.412 from the first quarter of 2020. UNCTAD forecasts downward pressure on foreign direct investment from - 5% to - 15%. The International Monetary Fund has announced on the 23 March 2020 that investors have withdrawn US$ 83 billion from emerging markets since the start of the crisis.

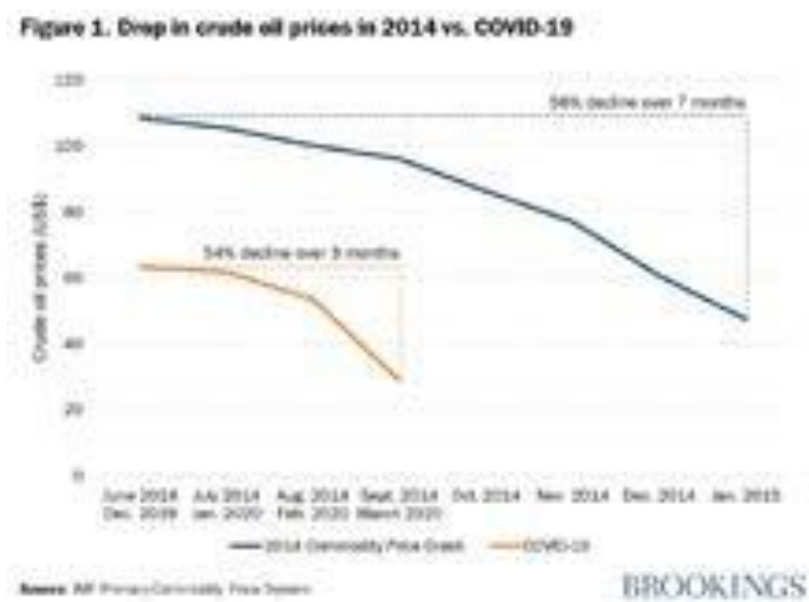
Graph 1: Distribution of the World GDP between Countries and Regions

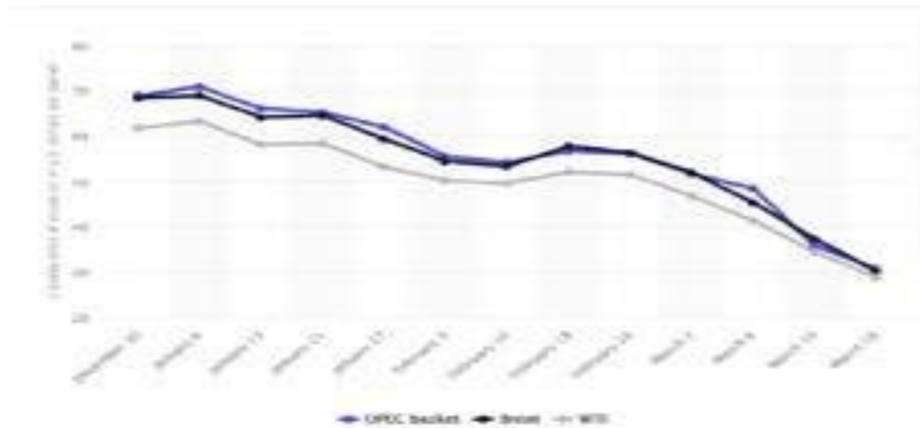


Besides, according to the World Economic Outlook of the IMF, global growth was projected to be 2.5% in 2020, a slight increase compared to 2.4% in

2019, thanks to the gradual resumption of trade and investments. In advanced economies, a slowdown from 1.6% to 1.4% was anticipated, mainly due to the persistent weakness of the manufacturing sector. The OECD downgraded its forecast for the world economy, indicating that global growth could drop to 1½% in 2020, half the rate projected prior to the virus outbreak. However, al- though it is difficult to measure the exact impact of COVID-19 on the world economy, some stylized facts can show how the world economy will be affected: A considerable tumble in commodity prices. Oil prices lost about 50% of their value dropping from US$ 67 a barrel to below US$ 30 a barrel (as the graph shows).

Graph 2: Oil prices from December 2019 to March 2020





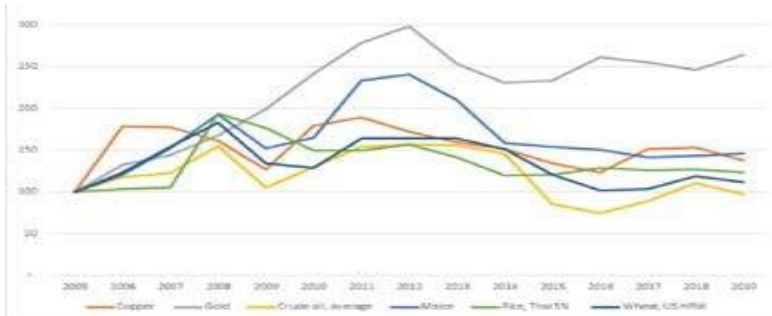
Source: OECD (2020)

The decline in crude oil prices was far more rapid, with some analysts projecting even more severe price declines than in 2014. Crude oil prices fell by 54 percent in the first three months of 2020, with prices falling below $30 per barrel. Non-oil commodity prices have also declined since January, with natural gas and metal prices dropping by 30 percent and 4 percent, respectively (Coulibaly & Madden, 2020). Aluminum also fell by 0.49%; copper 0.47% and lead 1.64%. Cocoa lost 21% of its value within five days at the height of the crisis.

Effects on Commodity Markets

Numerous African countries who are net importers of products such as wheat and rice, can felt the heat of COVID-19 and this lasted beyond 2020 as shown in Figure 3.

Figure 3: Global prices for key food commodities, 2005-2019 (base100= year 2005)

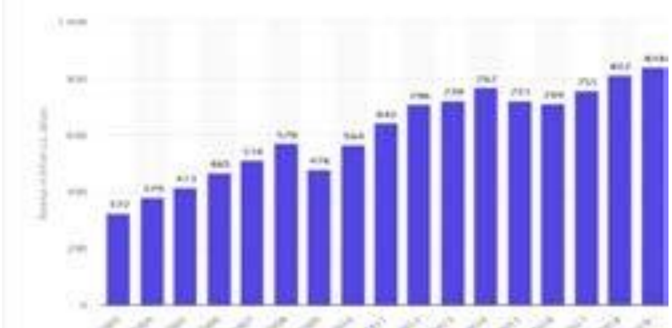


Source: World Bank Commodity Markets Database, March 2020

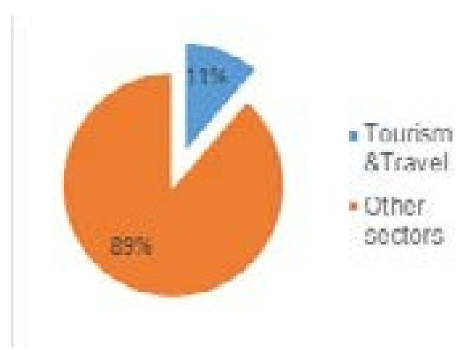
Effect on Aviation and Travel industry

Another most affected sectors are the Aviation and travel industry. This industry's revenues were $830 billion in 2019 and was projected at $ 872 billion in 2020. However, with the surge in every part of the world, many countries put a halt on international flight and boarders were closed to international immigrants. On 5th March 2020, the International Air Transport Association (IATA) projected that Covid-19 could seriously disrupt the industry and cause a loss of about US $ 113 billion.

Graph 4: Aviation Revenues in the world



Graph 5: Travel and Tourism in % GDP



Source: UNWTO, 2019 Source: UNWTO, 2020

Tourism industry also experienced comparable challenges. United Nations World Tourism Organization (UNWTO, 2020) estimated an expected fall of between 20-30% in international tourism receipts (exports) of between US$300-450 billion, almost one third of the US$1.5 trillion generated in 2019. By inference, it means that this sector is losing between five- and seven-years' worth of growth due to COVID-19. With the unparalleled initiation of travel restrictions across the world, international tourist arrivals fell by 20% to 30% in 2020 when compared with 2019 figures. Millions of jobs in the industry are at risk of being lost so also are small-and-medium-sized enterprises (SMEs) that always service this industry especially The Hotel and Hospitality Industry. More impacts are likely to be felt by countries like Cambodia, Vietnam, and Thailand (where the sector represents around 20% of the employment). France with around 89 million tourist arrivals per annum, Spain with around 83 million: USA (80 million), China (63 million), Italy (62 million), Turkey (46 millions), Mexico (41 millions), Germany (39 millions), Thailand (38 millions), and United Kingdom (36 millions) are more likely to be badly hurt. Tourism and travel industry usually support one in ten (10) jobs in the world and generating 10.4% of world GDP.

Effects on Global Financial Markets

Global financial market suffered a great setback March 9,2020 referred to as "Black Monday episode", the notable stock markets indices experienced one of the worst developments in their history in decades. The Dow Jones lost almost 3000 points in one day. FTSE plunged by about 5% and losses are estimated at over US$ 90 billion, to name just two. The banking sector has lost almost 40% of its value in the last month and the trend is still bearish.

Table 1: Some stock market indices as of March 9, 2020

Index	Last	High	Low	Change	Change%	Time
Dow 30	20,188.52	21,768.28	20,116.46	-2997.10	-12.93%	16 :20 :01
S&P 500	2,386.16	2,562.98	2,380.94	-324.86	-11.98%	15 :59 :59
CAC 40	3,881.46	3,962.01	3632.06	-236.89	-5.75%	12 :35
DAX	8,746	8,988.00	8.239.50	-485.83	-5.26%	12 :34 :58
FTSE 100	5151,08	5,366.11	4898.79	-215.03	-4.01%	12 :34 :58

Source: OECD, 2020

Global unemployment was forecasted to range between 5.3 million and 24.7

million. according to an assessment by the International Labor Organization (ILO, 2020). ILO's estimation might be built on formal sector employment in the developed countries. According to the most recent estimates, vulnerable employment rate was at 76.6 per cent in Sub-Saharan Africa, with non-agriculture employment in the informal economy representing 66 percent of total employment and 52 percent in North Africa. The vulnerable employment rate was estimated at 76.6 percent in 2014 (ILO, 2015).

Nigerian Economic Context

Nigerian economy has been struggling with recovery since 2014 oil price shock, and GDP growth was around 2.3 percent in 2019. IMF revised the 2020 GDP growth rate from 2.5 percent to 2 percent result of relatively low oil prices and limited fiscal space.

Aggregate Demand and Government Expenditure: This is expected to receive a bolster through increased government spending and tax cuts for businesses. *The fall in household consumption* caused consumers to spend primarily on essential goods and services due to restrictions on movement, low expectations of future income, predominantly by short-term and contract staff in the formal economy and the working poor in the informal economy. The immobility has not only reduced the consumption of nonessential commodities in general, but it also affected the income-generating capacity and reduced consumption expenditure. Ambiguities that come with the pandemic, there was no idea about when the outbreak will be over. Economic agents also responded policy measures as investors' negative sentiments caused turbulence in capital markets around the world. Nigerian Stock Exchange records its worst performance since the 2008 financial crisis.

The Policy Responses by The Nigerian Government (*Short-run approach*)

Central Bank of Nigeria (Central Bank Of Nigeria, 2020b) has arranged a fiscal stimulus package, including a 50 billion naira ($138.89 million) credit facility to households and small and medium enterprises most affected by the pandemic, a hundred (100) billion naira ($277.78 million) loan to the health sector, and a one (1) trillion naira ($2.78 billion) to the manufacturing sector (Central Bank Of Nigeria, 2020a). In addition, the interest rates on all CBN interventions have been revised downwards from 9 to 5 percent, and a one-year moratorium on CBN intervention facilities has been introduced, effective March 1. With oil being Nigeria's major source of foreign exchange, amid the steep decline in oil prices, the official exchange rate was adjusted from 306 to 360 naira. The exchange rate under the investors and exporters (I&E) window was also adjusted from 360 to 380 naira to unify the exchange rates across the I&E window, Bureau de Change, and retail and wholesale windows. Furthermore, the government has introduced import duty waivers for pharmaceutical companies and increased efforts toward ensuring that they receive forex. All these can be classified as short run approach to boost the economy.

Conclusions

The paper examined the effects of COVID-19 on global economies with a special focus on Nigeria. COVID-19 has been able to expose the weakness of some economies especially in the healthcare sector. The COVID-19 pandemic has woken up policymakers especially on reliance on foreign health care aids because of the competition for international support on medical supplies and equipment. every sector of the economy needed attention at the same time aside health sector, finance, and trade and investment also required operational issues that is expected to make the country less resilient to shocks from the pandemic. However, diversifying the country's revenue base away from oil exports more importantly, improving investments in the health care sector is of utmost important.

Recommendations on Long-run Policy Responses (Long-run approach)

Considering the enormity of COVID-19 impact on the Nigerian economy, there is the need to implement other long -run recovery strategies that could stimulate demand and stabilise the economy. Thus, the study recommends the following:

- The Federal Government need to improve efforts towards enhancing the efficiency and effectiveness of the distributive mechanisms for cash transfer program already in place, to ensure it reaches households that are worst-hit by the pandemic.
- The Federal Inland Revenue Service (FIRS) as well as State Inland Revenue Services (SIRS) should waive payments on personal and corporate income tax for the second quarter of 2020, considering that

the shock has affected the income and profits of households and businesses.

- Cash Reserve Ratio was reviewed (CRR) from 22.5 percent to 27.5 percent in January 2020 by CBN. This should be revised to stimulate liquidity for banks so that they can, in turn, create credit to the private sector.
- FIRS and SIRS should delay tax collection for the worse-hit sectors including tourism, the airline industry, and hoteliers to enable them recover from the steep decline in demand. Tax holiday or reduction as well as moratorium may be considered, this may encourage more investment and less downsizing by firms to reduce effect of the pandemic on the economy.
- There is need for provision of additional liquidity in the foreign exchange market. CBN should establish a swap facility with the U.S. Federal Reserve and/or the People's Bank of China, as was done in 2018, to provide dollar and yen liquidity to financial institutions, investors, and exporters. This move would ease up forex shortage in the financial market and economy. Dollarization of the economy should be completely frowned at, hypermarket or firms in the economy should denominate their sales and payments in Nigerian naira.
- Foreign exchange shortage led to the adjustment of naira; it is therefore imperative that the CBN maintains exchange rate stability by deploying external reserves to avoid investors selling off naira-denominated assets.

- Credit support to the health sector and any other sector should be judiciously utilize for the purposes they are meant for through a system of accountability and transparency in implementations.
- Provision of items for COVID-19 prevention as well as creating awareness on their usage is recommended. Universities-Industry collaboration on research and development is of utmost importance at this period.

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